



OBERMAYER

REBMAN MAXWELL & HIPPEL LLP

Attorneys At Law

Handwritten note: 1/20/08

Jonathan W. Hugg, Esquire
Direct Dial: (215) 665-3261
E-Mail: jonathan.hugg@obermayer.com

One Penn Center - 19th Floor
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103-1895
P 215-665-3000
F 215-665-3165
www.obermayer.com

June 20, 2008

Attorney General Kelly A. Ayotte
Office of Attorney General
33 Capitol Street
Concord, NH 03301

**Re: Notification of Data Security Breach Affecting
New Hampshire Residents**

Dear Attorney General Ayotte:

I am writing on behalf of my client Xlibris Corporation ("Xlibris"), a provider of on-demand book publication services. I am writing to provide you with notice of a recent data privacy breach. It appears that the breach occurred when an unknown and anonymous individual at an undetermined location breached Xlibris' security firewall and "hacked" into the database of the Xlibris online bookstore. This individual gained access to the names, addresses, and credit card numbers of approximately eight (8) residents of your state who have made purchases from the Xlibris online bookstore.

At this time, there is no indication that any person has used or is using the information removed from Xlibris' database. We are also unaware of any reported incident of identity theft related to this incident.

We have notified the Federal Bureau of Investigation, affected customers and credit bureaus. We are currently in the process of contacting relevant state authorities, including your agency.

Xlibris has taken remedial measures to ensure this incident does not happen again. These measures include enhancing security measures in the online bookstore, purging all credit card information from its system, and hiring an outside consultant to further bolster Xlibris' defenses.

Over a Century of Solutions

4288592

Philadelphia
Pennsylvania

Harrisburg
Pennsylvania

Pittsburgh
Pennsylvania

Altoona
Pennsylvania

Cherry Hill
New Jersey

Wilmington
Delaware

IMPORTANT NOTICE OF PRIVACY BREACH

Equifax
800-525-6285

Experian
888-397-3742

Trans Union
800-680-7289

3. You should remain vigilant about the possibility of fraud and/or identity theft. You should monitor your account statements and credit reports for any unusual activity. If you determine that someone has established a financial account using your identity without your knowledge, you should contact law enforcement, the financial agency, and the three major U.S. credit bureaus to place a fraud alert on your account. For more information on identity theft, we suggest that you visit the Federal Trade Commission ("FTC") at <http://www.ftc.gov/bcp/edu/microsites/idtheft>.

Even if you do not find any suspicious activity on your initial credit reports, the FTC recommends that you check your credit reports periodically. The Fair Credit Transaction Act of 2003 gives consumers the ability to obtain an annual report from each of the three credit bureaus free of charge. Reviewing your credit report will allow you to confirm that no new accounts have been opened without your knowledge and may give you early notice of potential fraud or identity theft. You can order your free credit report by visiting www.annualcreditreport.com or calling 1-877-322-8228.

REMEDIAL MEASURES WE HAVE UNDERTAKEN

Xlibris is committed to maintaining the privacy of your information and will continue to closely monitor this situation. We have taken remedial measures to ensure that that this situation does not occur again. These measures include enhancing security measurers in the online bookstore, purging all credit card information from our system, and hiring an outside consultant to further bolster our defenses.

We understand that you may have questions or may otherwise want to talk with us about this situation. You are a valued customer and if there is anything that we can do to assist you, please call us at 800 768-0679. You can also check our website at www.xlibris.com for additional information.

We are apologize for any inconvenience or stress this unfortunate situation may cause to you.

Sincerely,

JOHN FELDCAMP
Chief Executive Officer
Xlibris Corporation